

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MARKET-DOMINANT PRICE CHANGE

Docket No. R2022-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 2, QUESTION 7 (REFILED)**  
(April 27, 2022)

The United States Postal Service hereby provides a further response to  
Chairman's Information Request No. 2, issued on April 14, 2022. Question 7 is stated  
verbatim and followed by its response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**Special Services**

7. The Postal Service proposes several classification changes related to Address Management Services. Revised Attachment A at 165, 172.
- a. For Multiline Accuracy Support System (MASS) Certification, the Postal Service proposes to end the practice of charging one-half the applicable fee for recertification of a machine due to a move, transfer, or upgrade. *Id.* at 165, 172. The Postal Service also proposes to have the initial test be provided at no charge with each subsequent test paying the applicable fee. *Id.* at 165.
    - i. Please explain the reason(s) the Postal Service proposes to end the practice of charging one-half the applicable fee for recertification of a machine due to a move, transfer, or upgrade.
    - ii. Please explain the reason(s) the Postal Service proposes to have the initial test be provided at no charge.
    - iii. Please confirm that page 170 of Revised Attachment A should have contained eight notes numbered “9” and four notes numbered “10” in strikethrough to show the proposed changes to MASS Certification in legislative format. If confirmed, please provide an updated Revised Attachment A page reflecting the changes. If not confirmed, please explain.
    - iv. Please explain whether an additional change is needed to the price table for MASS Certification to reflect that the Postal Service is proposing that the initial test be provided at no charge. *See id.* at 170. If an additional change is needed, please provide an updated Revised Attachment A page reflecting the change. If necessary, please also update Library Reference USPS-LR-R2022-1/5, Excel file “R2022-1 Special Services CapCalc.xlsx” to reflect this change.
  - b. For National Change of AddressLink (NCOALink) Service, the Postal Service proposes to remove language that states that there is “[n]o proration for fees for additional sites.” *Id.* at 172.
    - i. Please confirm that with the removal of this language the Postal Service intends to allow for proration of fees for additional sites.
    - ii. If question 7.b.i. is not confirmed, please explain why the Postal Service proposes to remove this language.
    - iii. If question 7.b.i. is confirmed, please explain the reason(s) the Postal Service proposes to allow for proration of fees for additional sites.
  - c. For Delivery Sequence File—2nd Generation (DSF2) Service, the Postal Service proposes to remove language that states that “[t]here is no proration for additional locations or platforms.” *Id.*

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- i. Please confirm that with the removal of this language the Postal Service intends to allow for proration for additional locations and platforms.
- ii. If question 7.c.i. is not confirmed, please explain why the Postal Service proposes to remove this language.
- iii. If question 7.c.i. is confirmed, please explain the reason(s) the Postal Service proposes to allow for proration for additional locations and platforms.

**Response:**

a.

- i. Recertification occurs relatively rarely and is based on decisions made by the customer. Similar to the logic in a.ii below, it was determined that the customer should bear the full cost of testing that results from the customer's elective decision.
- ii. An initial test is required due to Postal Service-imposed requirements, whereas retesting occurs only if the customer fails to pass the initial test or if the customer elects a retest. The decision to make the initial test available to customers at no cost reflects fairness by alleviating the cost burden for customers to comply with the Postal Service mandate for the initial test, while shifting to customers the cost of any failure-based or customer-elected retests. The burden-shifting and price differential incentivizes customers to take reasonable measures to ensure they pass the initial test and thus to avoid the necessity of one or more retests, and it disincentivizes customers from opting for unnecessary elective retests.
- iii. Confirmed. An updated Revised Attachment A page reflecting the changes is attached.

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- iv. The price table for MASS Certification has been updated to reflect that the Postal Service is proposing that the initial test be provided at no charge. The updated Revised Attachment A page reflecting the change is attached.
- b.
  - i. Confirmed.
  - ii. N/A.
  - iii. Implementing proration for NCOALink Service will make pricing for this product consistent with pricing on other Address Management Services (AMS). Without proration, customers seeking to maximize value are incentivized to initiate NCOALink Service at the beginning of the year, leading to a potential for “bunching” of initiation requests. Proration should remove this incentive and make the value proposition of NCOALink Service timing-neutral. In addition to eliminating the increased administrative burden of processing “bunched” initiation requests, the Postal Service should receive revenue from NCOALink Service earlier in the calendar year, as customers will no longer be incentivized to wait for the start of the next calendar year to initiate service.
- c.
  - i. Confirmed.
  - ii. N/A.
  - iii. See response to b.iii above.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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**Attachment A**

**Mail Classification Schedule**

REVISED 4-27-22

Special Services

Address Management Services

	(\$)
Five-Digit ZIP (per year)	
All States (annual subscription)	695.00*
LACSLink5	
Interface Developer (first year)	1,440.00 <sup>6</sup>
Interface Developer (each one-year extension)	430.00 <sup>6</sup>
Interface Distributor (per year)	1,650.00 <sup>7</sup>
Data Distributor (per year)	430.00
End User (per year)	430.00 <sup>8</sup>
MASS Certification <sup>9</sup>	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	1,000.00 <sup>9</sup>
Cycle Testing: July	1,000.00 <sup>9</sup>
Cycle Testing: (for current cycle) After July 31 <sup>st</sup>	1,000.00 <sup>10</sup>
MASS End-Users (MLOCR)	
Cycle Testing: (for next cycle) March – June	1,000.00 <sup>9</sup>
Cycle Testing: July	1,000.00 <sup>9</sup>
Cycle Testing: (current cycle) After July 31 <sup>st</sup>	1,000.00 <sup>10</sup>
MASS Manufacturers (Encoder)	
Cycle Testing: (for next cycle) November – June	1,000.00 <sup>9</sup>
Cycle Testing: July	1,000.00 <sup>9</sup>
Cycle Testing: (for current cycle) After July 31 <sup>st</sup>	1,000.00 <sup>10</sup>
MASS End-Users (Encoder)	
Cycle Testing: (for next cycle) March – June	1,000.00 <sup>9</sup>
Cycle Testing: July	1,000.00 <sup>9</sup>
Cycle Testing: After July 31 <sup>st</sup>	1,000.00 <sup>10</sup>
MASS IMb Quality Testing	500.00

	(\$)
NCOA <sup>Link</sup> Service <sup>910</sup>	
Initial Interface Developer (first year fee)	7,900.00
Interface Developer (per each one-year extension)	1,650.00
Interface Distributor (per year)	38,000.00
Full Service Provider (per year)	265,000.00
Full Service Provider Each Additional Site (per year)	130,000.00
Limited Service Provider (per year)	22,000.00
Limited Service Provider (per each one-year extension)	
One Site only	22,000.00
Each additional site	11,000.00
ANKLink Service Option (per year)	
First Site	5,200.00
Each Additional Site	2,400.00
End User/MPE (first year)	11,000.00
End User/MPE (each renewal year)	
One site (each site for MPE)	11,000.00
Each additional site (End User only)	5,200.00
ANK <sup>Link</sup> Service Option (per year)	1,200.00
NCOA <sup>Link</sup> Test, Audit (each)	1,600.00
Official National Zone Charts (per year)	
Matrix	75.00*
RDI Service (per year) <sup>1</sup>	445.00*
Z4 Change (per year)	
All States	4,250.00*
ZIP + 4 Service (per year)	
Per state (annual subscription)	75.00*
All States (annual subscription)	1,175.00*
ZIP Code Sortation of Address Lists	
Per 1,000 addresses, or fraction	170.00
ZIP Move (per year)	
All States (annual subscription)	160.00*
99 Percent Accurate Method (per 1,000 addresses per year)	1.45
Minimum (per year)	145.00

### Notes

- \*. See AMS Price Table for Single Issues or Additional Copies appearing below.
- 1. When rural routes have been consolidated or changed to another Post Office, no charge will be made for correction if the list contains only names of persons residing on the routes involved.
- 2. Note number not to be used.
- 3. Fees are prorated for first year based on the Postal fiscal quarter ~~month~~ the agreement is executed.
- 4. Initial fee is prorated for first year based on the Postal fiscal quarter ~~month~~ the agreement is executed. ~~There is no proration for additional locations or platforms.~~
- 5. Fees are prorated for the first year for LACSLink Interface Distributor, Data Distributor, and End User based on the Postal fiscal quarter the Postal Service certifies system. Interface Developer test fees are waived if part of CASS certification; otherwise, CASS test fees apply for stand-alone testing.
- 6. Interface Developer fees are waived for certified CASS and NCOALink Full Service Provider distributors fulfilling requirement to provide users access to LACSLink.
- 7. Interface Distributor fee are waived for certified CASS distributor who provides End Users of LACSLink Distributor products with access to LACSLink System.
- 8. End User fee is waived for certified NCOALink Full Service Providers who fulfill requirement to offer LACSLink as component of its products and services.
- 9. ~~MASS fees are prorated at 50 percent of regular fee for new, transferred, or upgraded MLOCR/Encoder systems during testing cycle.~~
- 10. ~~MASS fees are pro prorated at 50 percent of regular fee for new, transferred, or upgraded MLOCR/Encoder systems outside of testing cycle.~~
- 9. The initial MASS Certification test is provided at no charge and each subsequent test must pay the applicable fee.
- 910. NCOALink fees (excluding Interface Developer) prorated for first year based on the Postal fiscal quarter that the ~~month~~ Postal Service certifies system. ~~No proration for fees for additional sites.~~